


**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE
MEETING SUMMARY**

August 17, 2010



A meeting of the Benefits and Program Administration Committee (BPAC) was held on Tuesday, August 17, 2010 in the Lincoln Plaza North Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:30 a.m. and the roll was called. The following members were present:

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Terrence McGuire for John Chiang
Patricia Clarey
George Diehr
Greg Beatty for Debbie Endsley
Henry Jones
Priya Mathur
Tony Oliveira

Other Board Member(s):

Grant Boyken for Bill Lockyer
JJ Jelincic
Louis Moret

**AGENDA ITEM 3a – IMPLEMENTATION OF THE NEW ACTUARIAL ASSUMPTIONS
FOR MEMBER CALCULATIONS AND REVIEW OF COST CALCULATION FOR
ADDITIONAL SERVICE CREDIT PURCHASE**

This item was deferred until the September 14, 2010 Benefits and Program Administration Committee Meeting.

AGENDA ITEM 3b – ACTUARIAL VALUATION POLICY ON RECOGNITION OF PLAN DESIGN CHANGES

Alan Milligan, Chief Actuary, presented the Actuarial Valuation Policy on Recognition of Plan Design Changes as an action item. Neal Johnson, Service Employees International Union, Local 1000, provided public comment on this item.

On **MOTION** by Mr. Beatty, **SECONDED** by Ms. Clarey and **CARRIED**, the Committee recommended the Board adopt a policy authorizing changes in retirement benefits and member contribution rates to be reflected in the employer contribution rates for the State plans immediately upon the effective date of the changes or as soon thereafter as can be accomplished given the Board's meeting schedule.

As outlined in the agenda item, the change to the employer rate would be implemented prospectively, commencing with the employer's payment for the first quarter following the Board's action to change the rate.

For the record Mr. Diehr voted no on the motion.

AGENDA ITEM 3c – STATE EMPLOYER CONTRIBUTION RATES

This item was deferred until the September 14, 2010 Benefits and Program Administration Committee Meeting.

AGENDA ITEM 3d – EFI'S PARALLEL VALUATION AND CERTIFICATION OF THE CONTRACTING PUBLIC AGENCY PLANS AS OF JUNE 30, 2008

Mr. Milligan presented EFI'S Parallel Valuation and Certification of the Contracting Public Agency Plans as of June 30, 2008 as an action item.

On **MOTION** by Mr. Beatty, **SECONDED** by Mr. Diehr and **CARRIED**, the Committee recommended the Board accept EFI's report on the parallel valuation and certification of the actuarial valuations of contracting public agency plans as of June 30, 2008.

AGENDA ITEM 3e – INCREASED TRANSPARENCY – INCLUSION OF AN INVESTMENT RETURN SENSITIVITY ANALYSIS IN ACTUARIAL VALUATION REPORTS

David Lamoureux, Supervising Pension Actuary, presented this as an information item. With the goal of being more transparent and providing additional information to all employers to better help them budget for future years, the Actuarial Office is now including an investment return sensitivity analysis in all annual actuarial valuation reports.

AGENDA ITEM 3f – EMPLOYER CUSTOMER INQUIRY PERFORMANCE MEASURES

Lori McGartland, Chief, Employer Services Division presented the Employer Customer Inquiry Performance Measures as an information item.

AGENDA ITEM 3g – PUBLIC AGENCY EMPLOYEE COMPENSATION UPDATE

Anne Stausboll, Chief Executive Officer, provided an introduction and background on the Public Agency Employee Compensation Update. Ms. McGartland and Mr. Milligan presented an educational overview around the issue of compensation and retirement benefits as they relate to CalPERS. The committee was also informed of the issues identified as a result of the recent disclosure of high compensation paid to some public employees, as well as the activities occurring statewide and at CalPERS to address these issues. Dave Elder, Dave Elder Consulting provided public comment on this item.

AGENDA ITEM 3h – CHIEF ACTUARY REPORT

Mr. Milligan presented the Chief Actuary Matrix as an information item.

AGENDA ITEM 4a – PUBLIC EMPLOYEE COMPENSATION

Danny Brown, Chief, Office of Governmental Affairs, presented legislation addressing Public Agency Compensation as an information item.

AGENDA ITEM 5a – CALPERS 2010 RETIREMENT TREND SURVEY

Brad Pacheco, Chief, Public Affairs Office and Ken Nitschke, Chief, Office of Policy and Program Development, presented the CalPERS 2010 Retirement Trend Survey as an information item.

AGENDA ITEM 6a – MEMBER BRANCH PERFORMANCE MEASURES

Donna Lum, Assistant Executive Officer, Member and Benefit Services Branch, presented the Member Branch Performance Measures as an information item.

AGENDA ITEM 6b – ASSISTANT EXECUTIVE OFFICER REPORT

Ms. Lum had no items to report.

AGENDA ITEM 6c – DRAFT AGENDA FOR SEPTEMBER 14, 2010 BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING

The following items are to be added to the September 14, 2010 agenda:

- Public Employee Compensation Update
- Review of 30 year Amortization Extension Policy Guidelines

AGENDA ITEM 7 – PUBLIC COMMENT

Linda Meeks, CPS Human Resource Services, provided comment regarding concerns with the retirement process.

The next meeting of the Benefits and Program Administration Committee is scheduled for September 14, 2010, in Sacramento, California.

Date: _____

STEPHEN W. KESSLER
Interim Deputy Executive Officer
Benefits Administration